

From the office of **State Controller Kim Wallin**

PRESS RELEASE

For Immediate Release

www.controller.nv.gov

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2007 ANNUAL FINANCIAL REPORT RELEASED BY STATE CONTROLLER KIM WALLIN

Carson City, NV. February 7, 2008. State Controller Kim Wallin has released Nevada's year-end financial statements for the 2007 fiscal year that ended June 30, 2007. The information is contained in the *2007 Comprehensive Annual Financial Report* (CAFR) and shows total revenues of \$7.4 billion, up \$396.6 million (5.67 percent) over 2006 fiscal year revenues of \$7 billion. The state's expenses for fiscal 2007 totaled \$7.2 billion, compared to \$6.2 billion the prior year, a 15.20 percent increase. Net assets of \$6 billion, while up \$250.6 million over fiscal 2006, nonetheless, represent a substantial drop in the rate of increase compared to fiscal 2006 when net assets grew by \$585.3 million.

The CAFR reports on the sources of state revenues and how those revenues are spent. It does not reflect changes in the economy, including downswings in revenues or increased spending, since the beginning of fiscal 2008 on July 1, 2007. "The economic downturn has created a lot of interest in the latest CAFR because people want to know what the financial health of the State is," said Wallin, who also noted calls by Governor Jim Gibbons for budget cuts are based not on the fiscal 2007 report, but on actual fiscal 2008 revenue collections compared to what was projected in the 2008 budget.

Nevada's general fund – the state's primary operating fund – had revenues of \$5.3 billion, an increase of \$199.6 million (3.9 percent) over fiscal 2006 revenues of \$5.0 billion. Our general fund revenues in fiscal 2007 grew at a slower rate than in fiscal 2006 which had a 7.9% increase in general fund revenues. The lower growth rate of tax revenues was attributed primarily to the slowdown in growth in our gaming and sales

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taxes and there was an actual decrease in revenue from property and transfer taxes of \$44.5 million or 27 percent.

General fund expenditures were up 11.4 percent overall. Significant increases in spending were in the areas of general government at 20.8 percent, intergovernmental where education had the largest increase, and 8.2 percent for health and social services with the largest portion of that increase being for Medicaid.

The Stabilize the Operations of State Government Fund, commonly known as the 'Rainy Day Fund,' increased by \$35 million, bringing the fiscal year-end total to \$277 million. The Rainy Day Fund is to be used only if actual revenues fall short of anticipated revenues by at least 5 percent, or if the governor and legislature declare a fiscal emergency as stated in Nevada Revised Statute (NRS) 353.288.

"The CAFR not only shows how revenue growth is slowing in Nevada, but also how one of the state's greatest challenges is meeting the needs of a rapidly growing population for services," said Wallin. "Nevada is well served by making this information available to its citizens as we look for solutions to these challenges."

The CAFR report is available on the Controller's website at www.controller.nv.gov.

The Controller, one of the state's six constitutional officers, is the chief fiscal officer and administers the state's accounting system and debt collection program. The State Controller's Office mission is to advance accountability, continuity, and efficiency in the State's financial operations.

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COMPLETE REPORT NOW AVAILABLE ON WEBSITE

Statistical Reference Locations for the 2007 CAFR News Release

❖ Paragraph 1

- \$7.4 billion 2007 total revenues-**Pg. 15**
- 2006 fiscal year revenues of \$7 billion-**Pg. 15**
- \$7.2 billion 2007 total expenses-**Pg. 15**
- \$6.2 billion 2006 total expenses-**Pg. 15**
- \$6 billion 2007 net assets-**Pg. 15**
- \$250.6 million 2007 increase in assets-**Pg. 15**
- \$585.3 million 2006 increase in assets-**Pg. 15**

❖ Paragraph 3

- \$5.3 billion 2007 general fund revenue-**Pg. 18**
- \$199.6 million 2007 general fund revenue increase-**Pg. 18**
- 7.9% increase 2006 general fund revenue-**Pg. 17-18**
- \$44.5 million 2007 property transfer tax rev. decrease-**Pg. 18**

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- 2007 general fund expenditure increases-**Pg. 18**

❖ Paragraph 5

- \$35 million 2007 increase in the Stabilize the Operations of State Government Fund-**Pg. 19**
- \$277 million 2007 yearend total of the Stabilize the Operations of State Government Fund -**Pg. 19, 31**